








Operation: “Covert” Closing

Presented by Allison Rabin

Chicago Title Insurance Company

RED FLAGS OF FRAUD:

-  Multiple Quit Claim Deeds on Chain of Title
-  Suspicious Disbursement Requests
-  “Silent” Purchasers/”Business Director”
-  Inflated Property Values
-  Urgency to Close

FRAUD SCENARIO :

- Vacant residential building;
- Seller was approached to increase sales price from \$150,000 to \$300,000;
- Purchaser was “represented” by “business manager”
- Secret Service, FBI and HUD alerted about transaction.

- Contractor brought in \$150,000 worth of lien waivers for “work completed”
- “Business Manager” ran the closing and did not allow the Purchaser to speak; only allowed him to sign documents that he authorized at the table.
- Out of State Lender wired funds into the closing.



IMPROVEMENTS

General Description		Foundation		Exterior Description		Interior	
				materials/condition		materials/condition	
Units <input checked="" type="checkbox"/> One <input type="checkbox"/> One with Accessory Unit	<input type="checkbox"/> Concrete Slab <input type="checkbox"/> Crawl Space	Foundation Walls	CONCRETE	Floors	HDWD/REFINISHD		
# of Stories 3	<input checked="" type="checkbox"/> Full Basement <input type="checkbox"/> Partial Basement	Exterior Walls	STUCCO/AVS	Walls	DRYWALL/AVG.		
Type <input checked="" type="checkbox"/> Det. <input type="checkbox"/> Att. <input type="checkbox"/> S-Det./End Unit	Basement Area 850 sq.ft.	Roof Surface	COMP SHLGS	Trim/Finish	WOOD/STAIN/AVG		
<input checked="" type="checkbox"/> Existing <input type="checkbox"/> Proposed <input type="checkbox"/> Under Const.	Basement Finish 0 %	Gutters & Downspouts	METAL	Bath Floor	CERAMIC / NEW		
Design (Style) 2 STY W/ATTIC	<input type="checkbox"/> Outside Entry/Exit <input type="checkbox"/> Sump Pump	Window Type	DOUBLEHUNG	Bath Wainscot	CERAMIC / NEW		
Year Built 1914	Evidence of <input type="checkbox"/> Infestation	Storm Sash/Insulated	STORM SASHES	Car Storage	<input checked="" type="checkbox"/> None		
Effective Age (Yrs) 11	<input type="checkbox"/> Dampness <input type="checkbox"/> Settlement	Screens	NO SCREENS	<input type="checkbox"/> Driveway	# of Cars		
Attic <input type="checkbox"/> None	Heating <input checked="" type="checkbox"/> FWA <input type="checkbox"/> HWBB <input type="checkbox"/> Radiant	Amenities	<input type="checkbox"/> Woodstove(s) #	Driveway Surface			
<input type="checkbox"/> Drop Stair <input checked="" type="checkbox"/> Stairs	<input type="checkbox"/> Other Fuel NATL GAS	<input type="checkbox"/> Fireplace(s) #	<input checked="" type="checkbox"/> Fence CHN LINK	<input type="checkbox"/> Garage	# of Cars		
<input checked="" type="checkbox"/> Floor <input type="checkbox"/> Scuttle	Cooling <input type="checkbox"/> Central Air Conditioning	<input type="checkbox"/> Patio/Deck	<input checked="" type="checkbox"/> Porch ENCLSD	<input type="checkbox"/> Carport	# of Cars		
<input checked="" type="checkbox"/> Finished <input checked="" type="checkbox"/> Heated	<input type="checkbox"/> Individual <input type="checkbox"/> Other	<input type="checkbox"/> Pool	<input type="checkbox"/> Other	<input type="checkbox"/> Att.	<input type="checkbox"/> Det.	<input type="checkbox"/> Built-in	
Appliances <input type="checkbox"/> Refrigerator <input type="checkbox"/> Range/Oven <input type="checkbox"/> Dishwasher <input type="checkbox"/> Disposal <input type="checkbox"/> Microwave <input type="checkbox"/> Washer/Dryer <input checked="" type="checkbox"/> Other (describe)		BUYER HAS OWN APPLIANCE					
Finished area above grade contains:		10 Rooms	5 Bedrooms	1.1 Bath(s)	2,416 Square Feet of Gross Living Area Above Grade		
Additional features (special energy efficient items, etc.). SUBJECT HAS INSULATED WINDOWS AND CEILING FANS, NO OTHER SPECIAL ENERGY EFFICIENT ITEMS WERE OBSERVED.							
Describe the condition of the property (including needed repairs, deterioration, renovations, remodeling, etc.). HOUSE HAS NEW ELECTRICAL, PLUMBING WAS UPGRADED, SOME DRY WALL WAS REPLACED. HARDWOOD FLOORS ON FIRST & SECOND FLOORS WERE REFINISHED. KITCHEN HAS NEW CERAMIC FLOOR, A NEW FRONT DOOR AND BACK DOOR HAVE BEEN INSTALLED,. NEW INSULATED WINDOWS ON FIRST AND SECOND FLOORS, NEW CARPETING IN THIRD FLOOR BDRM AND STUDY, NEW CARPETING IN THE FAMILY ROOM..							
Are there any physical deficiencies or adverse conditions that affect the livability, soundness, or structural integrity of the property?						<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	If Yes, describe
Does the property generally conform to the neighborhood (functional utility, style, condition, use, construction, etc.)?						<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	If No, describe





RESULTS OF STING OPERATION

“Purchaser” Argus Dradarian- DEPORTED

“Business Manager” Darius Przbilac: 47 months incarceration. Will be deported as soon as completes prison sentence.

“Contractor” Roger Eremski: 21 months incarceration. Will be deported as soon as completes prison sentence.



After alerting local title companies to this fraud scheme, 17 other transactions involving Darius Przbilac were discovered and fraud was averted.